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# **In wake of floods, Indiana will use money to help farmers get loans**

By The Associated Press

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Indiana will use \$50 million in state funds to help farmers get low-interest loans — money they can use along with federal funds to restore their flood-damaged fields.

The plan announced Wednesday would give banks incentives to provide the loans to farmers cleaning up from the June floods, which officials are calling one of the worst agriculture disasters in Indiana history. The program could draw federal matching funds to bring farmers \$200 million in aid.

Nearly 10 percent of the state's corn and soybean crops were flooded, which could translate to more than \$800 million in lost revenue. Some fields are still littered with debris, while others have had large sections of soil washed away, said Indiana Agriculture Commissioner Andy Miller.

"Those fields are going to need to be rehabilitated before farmers can get back into the practice of farming," Miller said.

The U.S. Department of Agriculture runs several emergency land conservation programs that pay up to 75 percent of the cost of field restoration projects. But farmers have to raise some local money to get that help, which is why the loan program could be helpful, said Indiana Treasurer Richard Mourdock.

The state will accept a lower-than-usual interest rate when it deposits money at local banks if the banks agree to lend farmers money at a low interest rate. Banks will determine whether farmers qualify for the loans. Typical loan interest rates are about 5 or 6 percent now, Mourdock said, but qualified farmers could get a rate of 2.25 percent under the program.

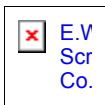
The state will be gaining less money on its investments by accepting lower interest rates during the year the program runs. The state could lose out on about \$1.1 million, but the federal aid to farmers will outweigh



that loss, Mourdock said.

“We might be able to bring \$200 million back for that \$1.1 million,” Mourdock said. “That’s a good deal.”

Farmers in disaster areas who want to participate in the program should contact their local USDA offices soon, Miller said.



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